

**REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
LUMBERTON MUNICIPAL UTILITY DISTRICT**

The regular meeting of the Board of Directors of the Lumberton Municipal Utility District was held on Monday, February 17, 2020, at 6:30 p.m. at the offices of the District pursuant to notice duly posted in accordance with the law. The following members of the Board were present:

David Pitchford

Roger Smith

David Desormeaux

Nick Carter

Absent: Jimmy Burk

Also present were Robb Starr (Interim District Manager) and Carla Belt as employees of the District, Benny Lewis as Operations Manager, Jeff Leavins of LJA Engineering and Guy N. Goodson of Germer PLLC as legal counsel for the District.

Agenda Item No. 1: **Prayer and Pledge.** A quorum being present, the meeting was called to order, the prayer was led by Director Pitchford and the pledge was led by President Carter.

Agenda Item No. 2: **Public Comments of Agenda Items.** None.

Agenda Item No. 3: **Minutes.** Director Smith asked that the Minutes of January 17, 2019 be corrected to note the attendance of Benny Lewis as Operations Manager. The Minutes of January 17, 2019 were approved as presented.

Agenda Item No. 4: **Capacity Approval – Pineburr – 4 lots – Anderson Petit, LLC, owner.** The Board recognized Jeff Leavins who described the project as the proposed request for service for 4 lots including 1 lot on which there currently was a residence that would be removed, and a new structure proposed for construction on that site. Mr. Leavins noted the system capacities, made notations on certain system limitations in the area and noted that the adjacent property was served by a 2-inch waterline along Pineburr Road, increasing to a 6-inch line east of the proposed development at the corner of Pineburr Road and

Ashley Lane. Mr. Leavins then moved to a discussion of the existing sanitary sewer collection system and certain limitations on the 6-inch sanitary sewer gravity flow line, and noted that as an alternative, an existing 10-inch sanitary sewer gravity line was near Williams Road and Forest Road, approximately 1,700 linear feet south of Pineburr Road. After further questions, Mr. Leavins noted that it was his recommendation that the District require the developer to extend the existing 6-inch waterline on Pineburr by approximately 450 linear feet to serve the proposed development, and the developer be required to construct sanitary sewer grinder pump lift stations and a low pressure sanitary sewer force main. Comments and additional questions followed from the Board which were answered by Mr. Starr. After further discussion and upon motion duly made by Director Desormeaux and seconded by Director Pitchford, the Board granted capacity approval for 4 lots, Pineburr Road, Anderson Petit, LLC, owner.

Agenda Item No. 5: Capacity Approval – 1119 South Main – 26 lots – MHCA Homes, owner. Prior to receiving the capacity report from Mr. Leavins, the Board recognized Mr. Starr who gave the history of the MHCA Mobile Home Park, and it was the developer's intentions to reconstruct the water and wastewater system within the park and to reconfigure the property for mobile home development. The Board then recognized Mr. Leavins who reviewed the project and its location. He additionally noted that it would be a reconstruction of the water and wastewater facilities. Mr. Leavins reviewed design considerations and the existing facilities for water and wastewater service. Mr. Leavins report noted that the District had adequate water and storage capacity to meet TCEQ design criteria and sanitary sewer collection facilities adequate for the proposed 26-mobile home connections as reconfigured. Mr. Leavins further noted that the development would involve connection of eight (8) mobile home units off U.S. Highway 69 and 18 units to District facilities on Village Creek Parkway. Mr. Leavins then concluded that the District's water and wastewater facilities had adequate capacity for providing service as requested. After discussion and upon motion duly made by Director Desormeaux and seconded by Director Smith, the Board granted capacity approval for 1119 South Main, 26 lots, MHCA Homes, owner.

Agenda Item No. 6: **Final Approval – Whispering Pines Subdivision – 29 lots – Jimmy Duplissey, owner.** The Board recognized Mr. Starr who indicated that all the testing and bonds required had been provided by Mr. Duplissey for Whispering Pines Subdivision, 29 lots. After discussion and upon motion duly made by Director Smith and seconded by Director Desormeaux, the Board granted final approval to Whispering Pines Subdivision, 29 lots, Jimmy Duplissey, owner.

Agenda Item No. 7: **Presentation of Refunding Opportunities – Revenue Refunding on the Utility System Revenue Bonds, Series 2020 – James Gilley, Jr, US Capital Advisors, LLC.** The Board recognized James Gilley, Jr. of US Capital Advisors, LLC who indicated that the District had a possible revenue bond refunding opportunity. Mr. Gilley presented his Revenue Refunding Utility System Revenue Bonds, Series 2020 and reviewed with the Board the suggestions for a parameter sale to occur within 90 days of the principal payment date on the Bonds of August 15, 2020. Mr. Gilley noted that a projected savings based on current market conditions would result in approximately a 4.7% savings to the District. Questions followed from the Board, and legal counsel noted that if the District considered this refunding, it would be in the same manner as its last revenue bond refunding, whereby, the Board could consider a refunding order providing a parameter sale with a specified amount of net present value savings to be achieved in the refunding and to note a maximum bond amount and a maximum maturity of 2033 concurrent with the current bond maturity for the 2012 Utility System Revenue Bonds. President Carter asked questions concerning the establishment of the parameters, and legal counsel noted that this matter could be brought back to the Board for review in large and for consideration of adoption of an order at the April meeting and closing in late May to achieve the refunding at a date within 90 days of August 15, 2020. The Board thanked Mr. Gilley for his presentation and asked that the financial advisor and legal counsel proceed with evaluating appropriate parameters for a revenue bond refunding.

Agenda Item No. 8: **Manager’s Report.**

A. Presentation of Financial Statement and Accounts Payable. The Board recognized Carla Belt who presented the District’s bank statements from Wells Fargo Bank and

BBVA Compass Bank. Ms. Belt noted that due to the cutoff date from Wells Fargo of the 15th of each month, the Wells Fargo Report was not available and would be provided by e-mail to the Board. The Board then reviewed the accounts payable in the amount of \$381,712.65. There being no questions from the Board, Ms. Belt moved to a review of the budget year-to-date showing a cash loss for the month of \$27,509.31 followed by a review of the budgeted capital improvement expenses. Ms. Belt then moved to the consideration of the monthly reports beginning with the 5-year monthly average of revenues which included reference to the inquiries of charges for late fees and disconnect fees, but with no reduction in the number of accounts. Ms. Belt reviewed the overtime cost report followed by a review of the billing adjustments for the month. The Board thanked Ms. Belt for her report.

B. Presentation of Production Report and Operations Report. The Board then recognized Benny Lewis who presented the Production and Operations Report. Mr. Lewis began with a presentation of the Monthly Operations Report showing no water or wastewater treatment plant or testing issues and no reported injuries. Mr. Lewis reported that overtime for the month was down slightly. In reviewing the Production Report, Mr. Lewis also noted the absence of unaccounted water due to the reporting periods. Mr. Lewis reviewed the January 2020 water production, billing, flushing and leakage reports followed by the 5 and 10-year average vs. current water system pumping report and the 5 and 10-year average vs. current gallons billed report. The Board was provided the yearly rainfall average, the wastewater plant flow report as well as the January 2020 ammonia report followed by the customer usage profile report.

The Board was then presented with the vehicle maintenance and mileage reports followed by the complaint log and chart of complaints. Director Desormeaux requested that the Board be provided more updated information on significant system issues. Director Desormeaux noted that there was a recent large blowout and a significant amount of manpower devoted to a project on Kaufman Road and further noted a recent installation of a major valve using a number of District

employees. Director Desormeaux suggested that the District staff and management provide notification to the Board of major projects undertaken. Mr. Starr and Mr. Lewis noted that would be done in the future.

C. Presentation of Important Dates. The Board then recognized Mr. Starr who stated he had no important dates to present.

Agenda Item No. 9: District Manager Travel Expense – Election Law Seminar. Mr. Starr noted his attendance at the Election Law Seminar followed by comments from legal counsel stating his appreciation to the District staff to advise themselves of this ever-changing area of the law. After discussion and upon motion duly made by Director Smith and seconded by Director Pitchford, the Board approved the District Manager's travel expenses as presented.

Agenda Item No. 10: Executive Session. The Board then moved into executive session at 7:50 p.m. under §551.074 of the Texas Government Code to discuss an enforcement action or service termination as to wastewater discharge at 1320 West Walton Road – Pines Mobile Home Park.

Agenda Item No. 11: Action of Executive Session. The Board reconvened from executive session at 8:19 p.m. President Carter reopened the public meeting at 8:20 p.m. and noted that Mr. Starr had been directed to collaborate with the Texas Commission on Environmental Quality for enforcement and regulatory matters to resolve the wastewater discharge at 1320 West Walton Road – Pines Mobile Home Park, and to report those activities to the Board as soon as possible.

Agenda Item No. 12: Public Comments. None.

Agenda Item No. 13: Payment of Bills. After discussion and upon motion duly made by Director Pitchford and seconded by Director Desormeaux, the accounts payable were approved for payment as presented.

Agenda Item No. 14: Adjournment. There being no further business, the meeting was adjourned at 8:23 p.m.

President of the Board

ATTEST

Secretary of the Board